



**U.S. Immigration
and Customs
Enforcement**

February 2, 2005

News Release

LEADER OF ORGANIZED INFANT FORMULA THEFT RING SENTENCED TO 14 YEARS IN FEDERAL PRISON

DALLAS—The leader of an organized retail theft ring was sentenced Feb. 2 to 168 months imprisonment, following an investigation by U.S. Immigration and Customs Enforcement (ICE) special agents and announced by United States Attorney Richard B. Roper, Northern District of Texas.

Mohammed Khalil Ghali was sentenced by the Honorable Barbara M.G. Lynn, United States District Judge, to 14 years imprisonment, following his conviction in April 2004 on 15 counts of a superseding indictment that charged him with various federal felony violations relating to organized retail theft in North Texas.

Sentencing at the upper end of the United States Sentencing Guidelines, Judge Lynn sentenced Ghali to 60 months on the conspiracy conviction, 120 months on the theft convictions and 168 months on the money laundering convictions. Judge Lynn ordered the forfeiture of \$528,627 in cash as well as residences located in Arlington, Texas, at 2203 Overbrook Drive and 6408 Jersey Lane.

“This prison sentence and forfeiture represent the hard work and dedication of many in the law enforcement community,” said Thomas D. Homan, U.S. Immigration and Customs Enforcement (ICE) assistant special agent-in-charge of investigations. “The conviction and sentence send a strong signal to organized crime we will use all our law enforcement resources to put these criminals away for a long time. A lot of people share in this success.”

U.S. Attorney Richard Roper said, “The Ghali organization fueled significant retail theft in the DFW area and I applaud the hard work and cooperative efforts of law enforcement that dismantled this organization. This substantial sentence should put organized criminals on notice that they will pay a hefty price for their greed and thievery.”

According to testimony at today's sentencing hearing, during the course of the investigation, Mohammed Khalil Ghali made inquiries as to how much it would cost to have the prosecutor and case agent killed by gang members. In addition, members of the Ghali organization made attempts to bribe U.S. Immigration and Customs Enforcement (ICE) supervisors in an attempt to get the charges against Ghali dismissed.

The charges against Ghali, and seven other members of his organization, are the result of a joint enforcement operation led by the Department of Homeland Security, U.S. Immigration and Customs Enforcement (ICE), Dallas Office of Investigations; the Fort Worth Police Department; the Food and Drug Administration Office of Criminal Investigations; the Internal Revenue Service - Criminal Investigation, assisted by the Federal Bureau of Investigation and the Fort Worth Police Department. Ghali's co-defendants in this case have pleaded guilty to conspiracy to commit offenses against the United States; they have either been sentenced or are awaiting sentencing. One co-defendant remains a fugitive.

Specifically, Mohammed Khalil Ghali was convicted on one count of conspiracy to commit offenses against the U.S., one count of theft from an interstate shipment, three counts of interstate transportation of stolen property, nine counts of money laundering, and one count of conspiracy to commit money laundering.

Mohammed Khalil Ghali was the organizer and leader of the "Ghali" organization and controlled every aspect of its activities, and the other seven defendants charged were members of his organization. From September 2001 through May 2003, Mohammed Khalil Ghali directed members of his organization to purchase stolen property, and merchandise represented as stolen, that was being held at various Fort Worth convenience stores by store owners/operators who served as "fences" for the Ghali organization. Mohammed Khalil Ghali was the de facto owner or secret partner in several convenience stores and other businesses, all of which were in the name of members of the Ghali organization or associates. The government presented evidence that Mohammed Khalil Ghali orchestrated the shipment and distribution of the stolen property throughout the United States, and although he avoided directly dealing with thieves, he closely supervised and directed other members of his organization to conduct the activity, using them as a buffer to avoid detection by law enforcement authorities.

Defendant Luai Khalil Ghali is Mohammed Khalil Ghali's brother. Denise Rae Jagger Ghali, who conducted the Ghali organizations day-to-day operations, is Mohammed Khalil Ghali's former wife. Stephanie Fava Ghali, the current wife of Mohammed Khalil Ghali, at his direction, distributed millions of dollars in illegal proceeds from the sale of stolen property by Ghali organization members. Riyadh Rahhal supervised other organization members in collecting stolen property, repackaging it, storing it, and transporting it. Defendant Mohdnour Seyam, whose name was changed from Seyam Mohdnour in all court papers at his request, was an independent contractor who bought stolen and represented stolen property for the organization. Defendants Ahmad Herzallah and Shaker Rahhal, who is the son of the fugitive defendant Riyadh Rahhal, purchased, received, stored and delivered the stolen property.

Ghali, his co-defendants, and their co-conspirators, including other owners and operators of convenience stores in and around Fort Worth, advertised by word of mouth that the Ghali organization would pay cash for certain property, including infant formula, pharmaceuticals, cigarettes, health and beauty aids, medicinal products, glucose test strips, nicotine gum and transdermal patches, razors and razor blades. Encouraged by this, thieves would shoplift or steal up to \$2000 worth of property per day from retail stores and supermarkets. The defendants assisted some of the thieves by providing vehicles and, in the event they were arrested, the defendants even provided bail money.

Upon receiving the stolen property, the defendants paid 30 - 50 percent of the average retail sales price of the goods to the thieves. The government showed that the stolen property would then be collected and delivered to their warehouses where price tags and anti-theft devices were removed and the property was repackaged and placed on pallets for delivery to a common carrier for shipment throughout the United States under the name Sunshine Wholesale, which was a d/b/a of Stephanie Ghali. Sunshine Wholesale also sold stolen infant formula to stores operating in Texas and Arizona under the WIC (women, infants and children) program enacted by Congress to provide free supplemental foods to meet specific nutritional needs of pregnant, postpartum, and breast-feeding women, and infants and children of low-income families determined to be "at nutritional risk."

The evidence also showed that Mohammed Khalil Ghali sold 1600 Viagra® sildenafil citrate tablets to a government confidential informant on Jan. 10, 2003, which were taken in an \$800,000 burglary of an AmerisourceBergen Pharmaceutical Corp. warehouse in Grand Prairie, Texas just nine days before. The Viagra® tablets had been preordered by the Department of Veterans Affairs. The evidence showed that at least four cases (19,200 tablets) of stolen Viagra® tablets were sold to someone at Sunshine Market in Arlington, Texas, owned by Mohammed Ghali.

The government also presented evidence that Mohammed Khalil Ghali and Denise Rae Jagger Ghali used the monetary proceeds of their unlawful activities to purchase residences located at 2203 Overbrook Drive and 6408 Jersey Lane in Arlington, Texas. The Ghalis intended to conceal the source of their proceeds to avoid arousing anyone's suspicion and to avoid being detected by law enforcement. As part of this scheme, they used straw buyers to purchase the properties.

United States Attorney Roper praised the outstanding investigative efforts of the Department of Homeland Security, U.S. Immigration and Customs Enforcement (ICE) and the Fort Worth Police Department as well as all the agencies that participated in this investigation and enforcement action, including the Food and Drug Administration, Office of Criminal Investigation; the Internal Revenue Service - Criminal Investigation; and the Federal Bureau of Investigation. Assistant United States Attorneys Joseph Revesz and Robert Webster prosecuted the case.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.